



materialise
innovators you can count on

4Q 2019 Financial Results

Conference Call
March 4, 2020

www.materialise.com
NASDAQ: MTL

Safe Harbor Summary

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, our intentions, beliefs, assumptions, projections, outlook, analyses or current expectations, plans, objectives, strategies and prospects, both financial and business, including statements concerning, among other things, current estimates of fiscal 2020 revenues, deferred revenue from annual licenses and maintenance and Adjusted EBITDA, our expectations regarding fiscal 2020 sales, Adjusted EBITDA margin and investments, results of operations, cash needs, capital expenditures, expenses, financial condition, liquidity, prospects, growth and strategies (including our strategic priorities for 2020), and the trends and competition that may affect the markets, industry or us. Such statements are subject to known and unknown uncertainties and risks. When used in this presentation, the words “estimate,” “expect,” “anticipate,” “project,” “plan,” “intend,” “believe,” “forecast,” “will,” “may,” “could,” “might,” “aim,” “should,” and variations of such words or similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon the expectations of management under current assumptions at the time of this presentation. These expectations, beliefs and projections are expressed in good faith and the company believes there is a reasonable basis for them. However, the company cannot offer any assurance that our expectations, beliefs and projections will actually be achieved. By their nature, forward-looking statements involve risks and uncertainties because they relate to events, competitive dynamics and industry change, and depend on economic circumstances that may or may not occur in the future or may occur on longer or shorter timelines than anticipated. We caution you that forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. All of the forward-looking statements are subject to risks and uncertainties that may cause the company’s actual results to differ materially from our expectations, including risk factors described in the company’s most recent annual report on Form 20-F filed with the U.S. Securities and Exchange Commission. There are a number of risks and uncertainties that could cause the company’s actual results to differ materially from the forward-looking statements contained in this presentation. The company is providing this information as of the date of this presentation and does not undertake any obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or otherwise, unless it has obligations under the federal securities laws to update and disclose material developments related to previously disclosed information.

This presentation includes non-IFRS financial measures, including EBITDA and Adjusted EBITDA. These measures are supplemental measures of financial performance that are not required by, or presented in accordance with, international financial reporting standards (“IFRS”). Please refer to the Appendix of this presentation for a reconciliation of such non-IFRS financial measures to the most directly comparable financial measures prepared in accordance with IFRS.

Agenda

- Q4 and FY 2019 Highlights
- Materialise & 3D Printing Enter their Fourth Decade
- Q4 2019 Financial Results
- Fiscal 2020 Financial Guidance
- Q&A



Fried Vancraen
Founder & CEO



Peter Leys
Executive Chairman



Johan Albrecht
CFO

Q4 2019 & Full Year Financial Highlights

Q4 2019

- Q4 2019 revenue increased 3.5% to 50,712 kEUR
- Q4 2019 Adjusted EBITDA rose 1,697 kEUR to 7,749 kEUR
- Q4 2019 net profit was 1,327 kEUR compared to 525 kEUR in Q4 2018

Full Year 2019

- Total annual revenue increased 6.5% to 196,679 kEUR
- Full year adjusted EBITDA rose 13.3% to 26,656 kEUR
- 2019 net profit was 1,724 kEUR compared to 3,027 kEUR for 2018
- Cash position grew 13,391 kEUR to 128,897 kEUR

Continued track record of financial performance & financial strength

Looking Forward We Enter Our Fourth Decade

30 Years of Meaningful Innovation



3 Decades of 3D Printing

- 1) “Making it Work”
- 2) “Making it Meaningful”
- 3) “Making it Worthwhile”

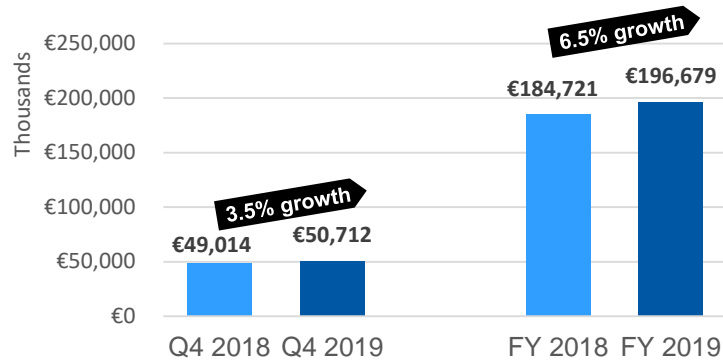
A 4th Decade of Sustainability

- 3D printing can empower the choice for sustainability
- A focus on planet, people and prosperity

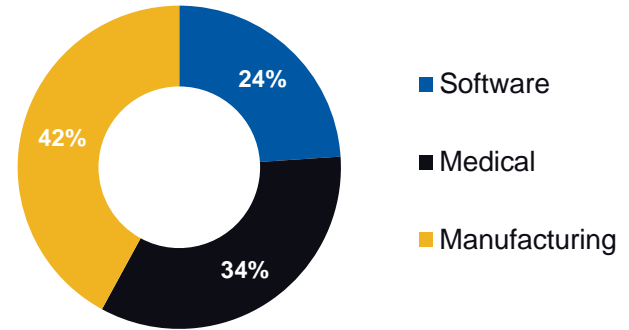
New Date for World Summit

- 5 – 6 November 2020
- Due to COVID-19, air travel is more difficult and we want to make sure our international customers have the possibility to travel to Brussels

Q4 2019 & Full Year Consolidated Revenue

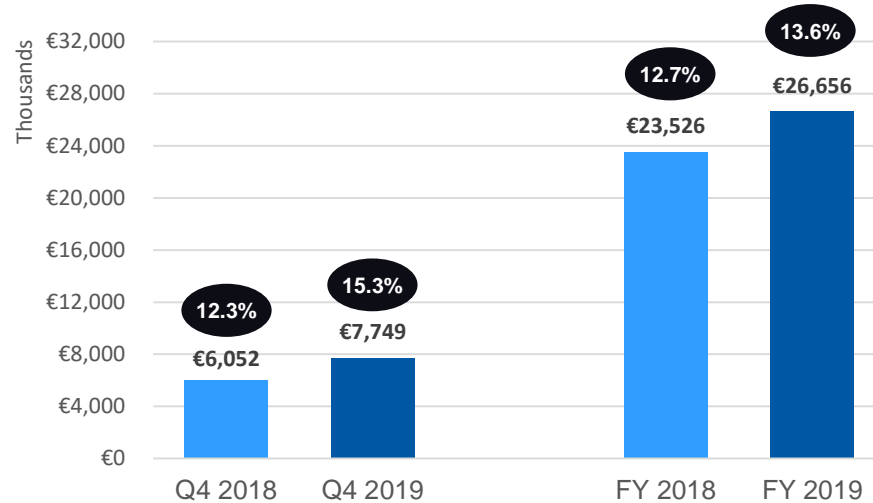


Q4 2019 Revenue by Segment



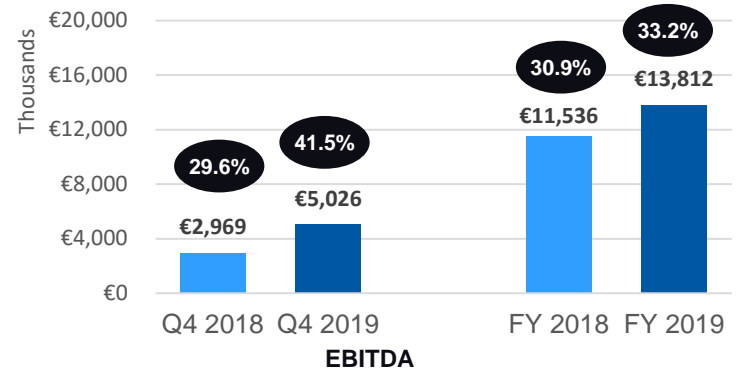
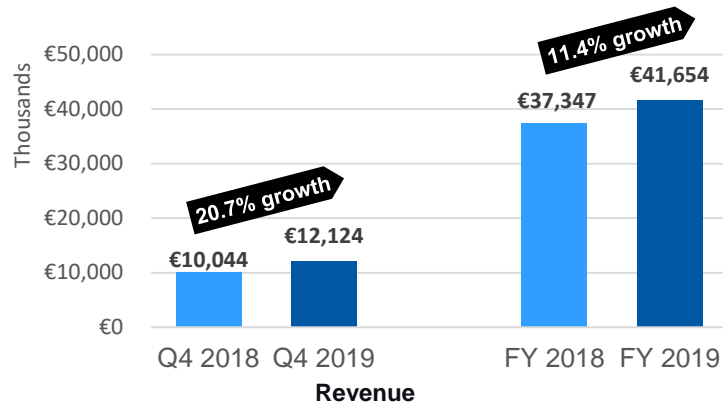
- Record quarterly revenues in Software and Medical segments, tempered by a negative growth in Manufacturing segment in tough macro conditions
- Deferred revenue from software licenses and maintenance fees increased 5,061 kEUR compared to year-end 2018
- Cross-segment revenue from software products amounted to 34%

Q4 2019 & Full Year Consolidated Adjusted EBITDA



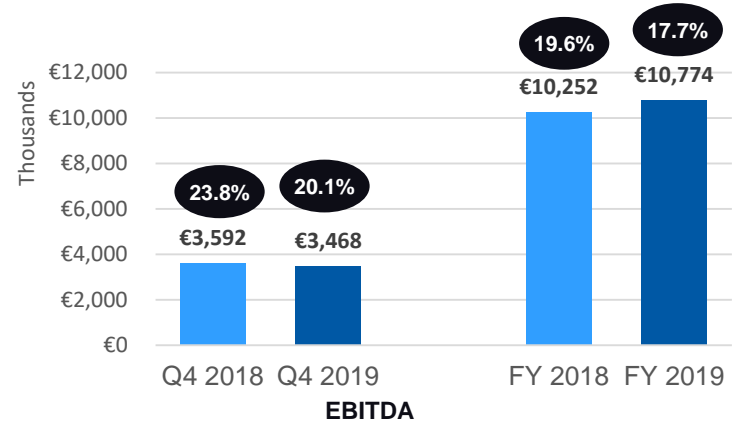
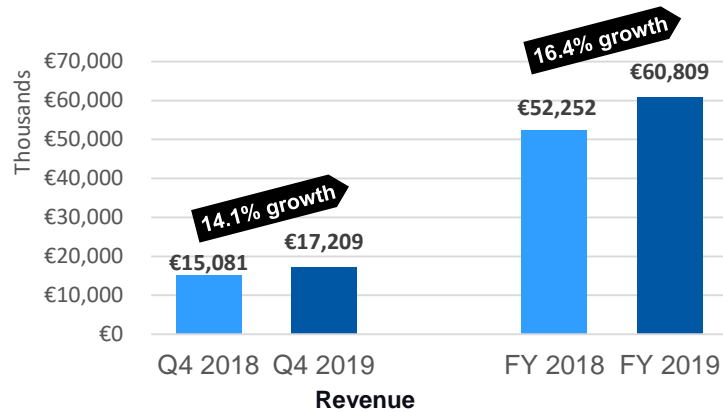
- Q4 2019 consolidated adjusted EBITDA increased by 1,697 kEUR, including IFRS 16 effect of 641 kEUR
- Q4 2019 consolidated operating profit increased by 1,809 kEUR to 2,589 kEUR, impacted by:
 - low growth of cost of sales, low growth of operating expenses, higher net operating income

Q4 2019 & Full Year Software Segment



- Revenue increased 20.7%,
- Q4 2019 recurrent revenue up 23.3%
- Q4 2019 non-recurrent revenue up 18.8%
- Q4 2019 EBITDA margin of 41.5%

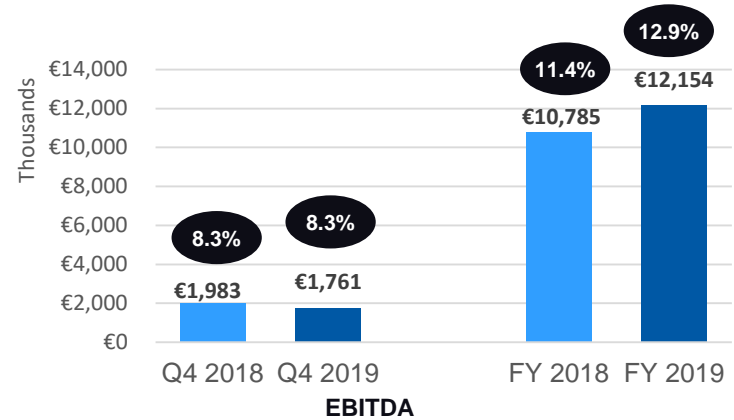
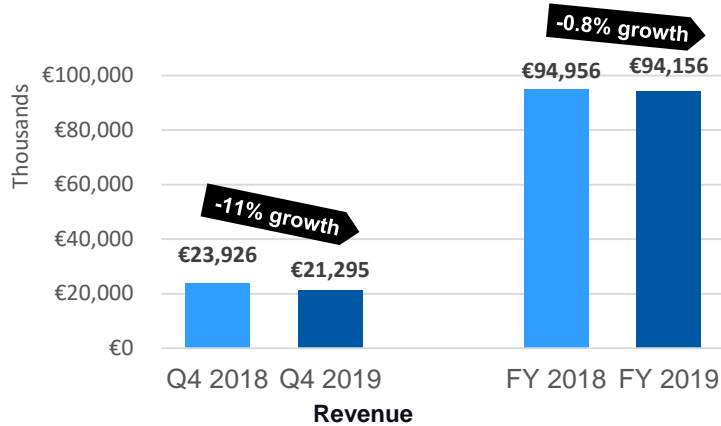
Q4 2019 & Full Year Medical Segment



- Q4 2019 revenue from medical devices and services rose 16.9% (3.3% growth, excluding Engimplan's contribution)
- Q4 2019 revenue from medical software increased 8%, sales* grew 25.4%
- EBITDA of 3,468 kEUR, resulting in a 20.1 % EBITDA margin

*Sales are defined in this presentation as revenue plus deferred revenue.

Q4 2019 & Full Year Manufacturing Segment



- Q4 Revenue decreased 11% in Q4 weaker macroeconomic conditions
- Q4 EBITDA margin flat at 8.3%
- 187 printers (Manufacturing + Medical) in production as of December 31, 2019

Income Statement Highlights

	Q4		Full Year	
	2019	2018	2019	2018
(in thousands of euros, except where indicated)				
Revenue	50,712	49,014	196,679	184,721
Cost of sales	(22,134)	(21,753)	(86,972)	(82,299)
Gross profit	28,578	27,261	109,707	102,422
Research & development expenses	(5,937)	(5,335)	(23,348)	(22,416)
Sales & marketing expenses	(14,192)	(12,571)	(52,989)	(46,303)
General & administrative expenses	(7,333)	(9,384)	(31,786)	(32,310)
Other income/(expenses), net	1,474	810	5,432	3,771
Operating profit/(loss)	2,589	781	7,016	5,164
Financial income/(expenses), net	(558)	(420)	(2,305)	(1,235)
Share in gain/(loss) of joint venture	(147)	(184)	(392)	(475)
Taxes	(558)	348	(2,595)	(425)
Net profit/(loss)	1,327	525	1,724	3,027
Diluted EPS (in €)	0.03	0.01	0.03	0.06
Diluted weighted average shares (thousands)	53,797	53,761	53,779	50,609

Other Financial Highlights

(in thousands of euros)	12/31/2019	12/31/2018
Cash and equivalents	128,897	115,506
Receivables	40,322	36,891
Inventories	12,696	9,986
Payables	21,878	20,980
Deferred income	32,673	27,782
Borrowings	127,939	106,038
Equity (incl. NCI *)	142,675	135,989
Total balance sheet	349,294	313,225

(in thousands of euros)	FY 2019	FY 2018
Capital expenditures	15,665	20,106
Cash flow from operations	28,402	28,320

(in thousands of euros)	Q4 2019	Q4 2018
Capital expenditures	3,753	4,002
Cash flow from operations	5,663	10,056

* NCI 2019: Non-Controlling Interest Engimplan 3,107

Fiscal 2020 Financial Guidance

Consolidated Revenue	202M to 215M euros
Consolidated Adj. EBITDA⁽¹⁾	27.5 M to 30M euros
Increased Deferred Revenue (from annual licenses and maintenance)	3M to 5M euros

Note: These objectives do not represent budget estimates or projections of any type and have not been prepared by management in the manner budget estimates or projections are prepared. The Company's operational and financial objectives change from time to time based on numerous factors, and the Company's ability to achieve any objective is subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. For discussion of some of the important factors that could cause these variations, please see the risk factors described in the company's most recent Form 20-F filed with the U.S. Securities and Exchange Commission. Nothing in this presentation should be regarded as a representation by any person that these objectives will be achieved and the Company undertakes no duty to update its objectives.

(1) Adjusted EBITDA is a non-IFRS financial measure that the Company calculates as net profit plus income taxes, financial expenses (less financial income), depreciation and amortization, stock-based compensation expense and acquisition-related expenses.

APPENDIX

Adjusted EBITDA Reconciliation

	for the quarter ended December 31		for the year ended December 31	
(in thousands of euros)	2019	2018	2019	2018
Net profit/(loss)	1,327	525	1,724	3,027
Income taxes	558	(348)	2,595	425
Financial expenses	1,035	1,308	3,682	4,864
Financial income	(477)	(888)	(1,377)	(3,627)
Share of loss in a joint venture	147	184	392	475
Depreciation & amortization	5,115	4,753	19,198	17,287
EBITDA	7,705	5,534	26,214	22,451
Non-cash stock-based compensation expenses	44	518	302	1,075
Acquisition-related expenses	-	-	140	-
Adjusted EBITDA	7,749	6,052	26,656	23,526